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U.S. OFFICIALS CALY

CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

COUNTRY

Malaya

CONFIDE

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DATE:

INFO.

SUBJECT

Government Rehabilitetion Loans

Rubber Estate Owners in This secument is hereby regaded to ST. CONFIDENTIAL in a cordance with the letter of 13 October 1978 from THE ST. Director of Contral Intelligence to the Lement

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Archivist o the United States. กพ Date: 2008

This advisor feels that by means of the industrial rehabilitation loans to rubber estate owners the local Government would secure an entering wedge into the rubber estates. He does not go so far as to predict nationalization of the industry, but says the Government is seeking to force planters to adopt more efficient high-yield methods. The United Planters Association of Malaya, which is ultra-conservative, has successfully prevented the adoption of progressive rubber growing on a large scale. The Government, by granting loans which could not be paid back, would get its people into estate management in an advisory capacity with the hope of gradually replanting in a few years all such estates with only high-yield rubber trees.

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Note: Previous information has stated that the proposal for rehabilitation leans to rubber estate owners to enable then to replant with budgraft or clonal trees was made to the Malayau Government by the leaders of the Malayan rubber industry who met in Singapore May 26, 1947 under the auspices of the UPAM. Considerable doubt as to the ability of estate owners to repay these loans has been expressed from various quarters.)

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